# Development Process Graphic (Retail)

# Acquisition

# **Feasibility**

# Entitlement

# Preconstruction

# Construction

# 1 mo to 4 mos

## Start: Identify a Potential Site

#### First Look

## Apx 1 mo

- Either Client or Redhive identifies a potential site.
- Redhive prepares First Look Package based on free and public information, and makes presentation to Client.

Client decision: Pursue or Reject Pursue → Client negotiates LOI Reject → End Project

If Client rejects a site proposed by Redhive, Redhive may pursue w/o Client or present to other clients.

Gate: Letter of Intent (LOI) ↓

## Second Look ±2 mos

- LOI or other agreement generally provides ±60-day exclusive negotiation/due diligence period.
- Client commences negotiation of Acq Contract (RLA, GLA or PSA).
- Redhive continues limited due dil.
- Redhive supports Client in Acq Contract negotiations.
- Redhive prepares certain exhibits for Acq Contract.
- Redhive prepares Second Look Package based on seller/lessor-provided info, interviews with municipality and utilities, and site investigations by consultants, and makes presentation to Client.

Client decision: Execute or Reject

Execute → Execute Acq Contract

Reject → End Project

If Client rejects a site proposed by

Redhive, Redhive may pursue w/o

Client or present to other clients.

Gate: Acq Contract Execution →

## 2 mos to 6 mos

### Start: Acq Contract or At Risk

#### Evaluation

#### 2 to 4 mos

- Normally, Client controls site per terms of Acq Contract, subject to feasibility period of 60 to 120 days.
- Redhive manages project feasibility investigations by consultants.
- Redhive updates budget & schedule.
- Redhive prepares Evaluation Package and makes presentation to Client.

Client decision: Waive, Reneg. or Reject
Waive → Waiver of Feasibility
Extend or Amend. → Reneg. Acq Cont
Reject → Terminate and Close-out

Gate: Waiver of Feasibility →
Extend or Amend ↓
or Close-out Project ↘

## Renegotiation (Extended Feas) Varies

- Evaluation identifies potential hazards, curable defects, impairment of value, or other concerns.
- Client notifies seller/lessor of defect(s) and requests extension of feasibility or amendment of Acq Contract.
- Redhive supports Client renegotiation of Acq Contract.
- Redhive amends Evaluation Package and makes Presentation to Client.
- Either party may cure/correct defects
   Client decision: Proceed at Risk or Hold
   Proceed at Risk → Start entitlements
   Hold → Cure defects/reneg. contract
   Client decision: Amend, Accept or Reject
   Amend → Acq Contract is amended
   Accept → Waiver of Feasibility
   Reject → Terminate and Close-out

Gate: Waiver of Feasibility → or Close-out Project ∨

# 3 mos to 2 yrs

Start: Waiver of Feasibility or At Risk

#### **Entitlement Risks**

- Evaluation Package will describe entitlement process, risks, and strategy.
- Entitlement is an inherently risky process involving multiple stakeholders with competing interests.
- Acq Contract should transfer entitlement risk to seller/lessor whenever practicable.

## **Entitlement Package**

#### 1 to 4 mos

- Redhive coordinates Entitlement
   Package by Architect with Client and stakeholder input.
- Multiple design iterations are likely, with informal presentations to stakeholders seeking their support.
   Gate: Formal Entitlement Submittal

## Entitlement Pursuit 2 mos to 2 yrs

- Redhive manages submittal, presents at meetings and hearings, and pursues entitlements.
- Stakeholder feedback may necessitate redesign and/or compromise.

EntIt decision: Modify, Reject or Approve Modify → Changes required by Stakeholders or Client

 Redhive and Client rework entitlement proposal

Approve → Entitlements complete when appeals exhausted and Client accepts *Final Conditions of Approval*.

Reject → Entitlement proposal not acceptable to stakeholders, or compromises not acceptable to Client.

Gate: Acceptance of Final CofAs → or Close-out Project \( \square\$

# 7 mos to 1 yr

### Start: Acceptance of CofAs or At Risk

#### Construction Documents 2 to 4 mos

- Redhive coordinates Construction
   Documents by Architect, according to entitled design and Client's reqts.
- When CDs apx 80% complete, Redhive completes CD review with GC for costs and constructibility.
- Redhive & Client review CDs / budget.
   Client decision: Submit or Revise Plans
   Submit → Submit CDs for plan check
   Revise → Revise or redesign project
- Client, GC, and Architect comments, including cost control, incorporated into First PC Submittal.

Gate: First PC Submittal  $\downarrow$ 

## Plan Check & Pre-Bid 3 to 6 mos

- Redhive makes First PC Submittal, and manages Plan Check with Architect.
- Redhive pre-qualifies GCs for competitive or negotiated bid process.
- GCs attend Pre-Bid Walk
- Pre-Bid Conference w/ GC if neg. bid.
- GC(s) request clarification of plans
- Design Team updates CDs for Plan Check comments, GC clarifications, and Redhive & Client redlines.
- PC block complete when Permits RTI.
   Gate: Final PC Submittal ↓

# Bidding

### ±2 mos

- Redhive prepares Bid Package, and provides Bid Set to GCs.
- GCs and subs attend Bid Walk.
- If required, bid addenda are issued.
- Redhive levels bids, and provides *Const Budget and GC Recommendation*.
- Client selects (and contracts with) GC.
   Gate: Const Budget Approval →

# 4 mos to 1 yr

Start: Construction Budget Approval

#### Permitting

 When permits Ready to Issue (RTI), & Const Budget Approved, final permit fees are calculated and paid, and selected GC pulls *Permit(s)*.

#### **Construction Contract** 1 to 2 mos

- The bid package should include a blank "form of contract" to ensure GCs know requirements prior to bid.
- Most GCs will commence construction upon delivery of a *Notice to Proceed* (NTP), which Redhive will prepare.
- Redhive will create exhibits to the construction contract, but will not complete or be a party to the contract.

# Gate: Delivery of NTP to GC ↓

## Construction 4 mos to 1 yr

- Redhive acts as Client's representative overseeing construction.
- GC manages construction by subs.
- Architect and engineers provide "construction administration."
- Redhive acts as liaison to stakeholders.
- Redhive manages "change orders."
- Redhive updates budget and schedule.
- Redhive/GC obtain Cert of Occupancy.
   Gate: Occupancy Certificate ↓

# Close-out: 1 to 2 mos

## Close-out (or Hand-off)

- Redhive provides Client with a Closeout Package including electronic files, plans, as-builts, warranties, etc.
- If Redhive work ends prior to construction, Redhive provides all work product and hand-off to Client.